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Report of the Secretary-General on the activities of the Office of Internal Oversight Services

Implementation of all provisions of General Assembly resolution 55/231 on results-based budgeting

Note by the Secretary-General*

1. Pursuant to General Assembly resolutions 48/218 B of 29 July 1994, 54/244 of 23 December 1999 and 56/253 (para. 153) of 24 December 2001, the Secretary-General has the honour to transmit, for the attention of the General Assembly, the attached report, conveyed to him by the Under-Secretary-General for Internal Oversight Services, on the implementation of all provisions of General Assembly resolution 55/231 of 23 December 2000 on results-based budgeting.

2. The Secretary-General takes note of the findings set out in the report and concurs with the suggestions for action outlined for the continued development of results-based budgeting.

* The present report was delayed due to the extensive consultations between the Office of Internal Oversight Services and the Office of Programme Planning, Budget and Accounts.

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Summary

This report contains an evaluation of the implementation of all provisions of resolution 55/231 of 23 December 2000 on results-based budgeting, conducted by the Office of Internal Oversight Services in response to a request by the General Assembly in paragraph 153 of its resolution 56/253 of 24 December 2001.

Resolution 55/231 reflected, among other things, the decision of the General Assembly that results-based budgeting should be implemented in "a gradual and incremental manner, in full compliance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation and the Financial Regulations and Rules of the United Nations".

In order to facilitate the evaluation, the Office of Internal Oversight Services grouped the operative paragraphs of resolution 55/231 into thematic areas, reflecting the main areas of concern of Member States. These thematic areas constitute the main sections of the report. The information needed for the evaluation was collected through interviews with senior officers from relevant departments, legislative committees and other United Nations bodies and a thorough review of the process leading to the formulation of the programme budget for the biennium 2002-2003, as well as efforts to ensure continued improvements. The Office of Internal Oversight Services also took into account prior assessments of results-based budgeting and other related documents.

From the evaluation, the Office of Internal Oversight Services concludes that results-based budgeting is being implemented in the Organization in a manner consistent with the provisions of resolution 55/231 and confirmed in its report the following:

(a) Since the introduction of results-based budgeting, improvements have been made to establish logical links between the formulation of objectives and expected accomplishments and indicators. Links have also been established between the medium-term plan and the programme budget;

(b) The implementation of results-based budgeting has been undertaken in accordance with the provisions of Regulations and Rules Governing Programme Planning;

(c) Programme managers have flexibility to redeploy resources within limits in order to ensure programme implementation;

(d) Throughout the budget preparation process, the Budget Division conducted training and briefings to enhance the skills of staff involved in the formulation of the results-based budget.

The Office of Internal Oversight Services also identified particular challenges to the implementation of results-based budgeting that arose for the following reasons:

(a) The shift in focus from input/output to results orientation required a significant culture change that is still ongoing;

(b) The length and complexity of the planning, budgeting, monitoring and evaluation cycle and the need to adapt the components to the results paradigm;

(c) The inherent difficulties in quantifying and measuring many of the expected achievements of the Organization;

(d) The need for staff at all levels to become familiar with the terms and concepts of results-based budgeting.

Finally, the Office of Internal Oversight Services has identified several steps the Organization needs to take to further the implementation of results-based budgeting. These are detailed in the body of the report.

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I. Introduction

1. The Secretary-General, in his report on results-based budgeting (A/54/456 and Add.1-5), proposed the introduction of a number of measures to strengthen the existing programme budgeting process. Those measures, derived from the proposals contained in his programme for reform (A/51/950) and his previous report on results-based budgeting (A/53/500 and Add.1), aimed at shifting the United Nations programme budget from a system of input accounting to one of results-based accountability. This required the articulation of expected accomplishments at the outset of the budgetary process and a shift from an exclusively quantitative focus on resources and activities to a more qualitative focus on expected accomplishments and the effectiveness of the Organization's activities.

2. It should also be noted that the General Assembly, in part II of its resolution 55/234 of 23 December 2000 on the report of the Secretary-General on programme performance of the United Nations for the biennium 1998-1999, recognized the need for clear statements of objectives, expected accomplishments and corresponding indicators of achievement in future medium-term plans and programme budgets in order to ensure better assessment of the implementation of programmes in the context of the biennial programme performance reports, in accordance with the Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation (ST/SGB/2000/8).

3. The General Assembly, in its resolution 55/231 of 23 December 2000 on results-based budgeting, approved the proposal of the Secretary-General to proceed with the use of indicators of achievement in the programme budget and adopted a number of provisions concerning programme budgeting, monitoring and reporting. In the same resolution, the General Assembly also requested the Secretary-General to undertake a detailed analysis of the information, management control and evaluation systems required to implement the proposals contained in his report (A/54/456 and Add.1-5) and of the capacity and limitations of existing systems, and to submit a report thereon to the General Assembly, through the Advisory Committee on Administrative and Budgetary Questions, at the time of submitting his proposed programme budget for the biennium 2002-2003. In response to that request, the analysis appeared in the annex to the introduction to the Secretary-General's proposed programme budget for the biennium 2002-2003 (A/56/6 (Introduction)). By paragraph 153 of its resolution 56/253 of 24 December 2001, the General Assembly, inter alia, "requested the Secretary-General to conduct an evaluation through the Office of Internal Oversight Services of the implementation of all provisions of resolution 55/231 on results-based budgeting".

4. It should be further noted that the proposed programme budget for the biennium 2002-2003 (A/56/6), contained the first budgetary proposals using a results-based format. The Committee for Programme and Coordination, at its forty-first session in May 2001, recommended that the General Assembly request the Secretary-General to encourage programme managers to continue their efforts to improve that presentation. The Committee emphasized the importance of the efficient implementation of programmes and recommended that the General Assembly request the Secretary-General to provide information on how programme managers review their programmed outputs to help Member States determine the continuing relevance and effectiveness of their programmes.[1]

II. Evaluation methodology

5. The methodology for the evaluation of the implementation of all provisions of resolution 55/231 involved:

(a) A review of all operative paragraphs of the resolution, grouping them into thematic areas to facilitate evaluation as shown in table 1;

Table 1

Thematic areas	*Paragraphs of resolution 55/231*
A. Development of logical framework, linkages and terminology	7, 8, 9, 10 and 12
B. Compliance with the Regulations and Rules Governing Programme Planning	6, 7, 11, 15, 20 and 22
C. External factors — role and usage	9, 13 and 14
D. Time frame of planning objectives	21 and 22
E. Evaluation capacities	23, 26 and 27
F. Delegation of authority and resources	16, 17, 18, 19, 24 and 25
G. Training	28

(b) Interviews were conducted with senior officers in the Office of Programme Planning, Budget and Accounts, the Office of Human Resources Management, the Department of Economic and Social Affairs, the Secretary of the Fifth Committee and the Committee for Programme and Coordination. Senior officials from the World Intellectual Property Organization, who have been closely involved with the implementation of results-based budgeting since its inception in that organization, were also interviewed to gain their perspective on this topic;

(c) A review of the steps in the process of formulating objectives, expected accomplishments and indicators of achievement to ensure that the Regulations and Rules Governing Programme Planning were respected;

(d) A review of the budget format for the biennium 2002-2003 to ascertain how the stated expected accomplishments and indicators of achievement would facilitate the measurement of achievements in the implementation of work programmes of the various departments and offices;

(e) A review of relevant documents to determine whether measures were taken to ensure continued improvement in the future formulation of objectives, expected accomplishments and indicators of achievement and that such improvements were made with the full involvement of the relevant intergovernmental bodies.

III. Findings and observations

A. Development of the logical framework, linkages and terminology (paras. 7, 8, 9, 10 and 12)

6. This group of operative paragraphs of resolution 55/231 focused on the definition and linkages between the elements of the logical framework, as well as the unique character of the United Nations. The General Assembly requested that there be direct and clear links between the expected accomplishments and indicators of achievements to the objectives spelled out for the proposed programme budget and the medium-term plan, and that the formulation of these should be continuously improved with the involvement of the relevant intergovernmental bodies. The General Assembly also requested that the focus should be on measuring achievements of the organization and not those of the individual Member States. Within the United Nations, the medium-term plan is considered the principal policy document for the programme of work. The biennial programme budget is based on the medium-term plan. The purpose of introducing results-based budgeting into programme planning in the United Nations was to shift the focus of the budgetary process from input accounting to results-based accountability. The shift in focus was facilitated by strengthening the link between objectives, expected accomplishments and indicators of achievement in the medium-term plan and the programme budget and formulating more coherently the programmatic elements in it.

7. The Office of Internal Oversight Services established that the United Nations Secretariat based the definitions of terms used in the results-based budgeting process on those inscribed in the annex to the Regulations and Rules Governing Programme Planning. In his report on results-based budgeting dated 11 October 1999 (A/54/456 and Add.1-5), the Secretary-General defined "expected accomplishments" as being equivalent to "expected results". Expected results would justify resource requirements that would be derived from, and linked to, the outputs required to achieve such results (see A/56/456, para. 25). Expected accomplishments are the effects of those services or products, leading to the fulfilment of the objectives. The report emphasized that a clear distinction can and should be made between outputs and expected results/accomplishments, and also emphasized that a greater number of outputs were not equivalent to a better result. The annexes to that report contained a glossary of relevant terms and guidelines for the formulation of objectives and expected accomplishments. The Advisory Committee considered the report of the Secretary-General on results-based budgeting (A/54/456 and Add.1-5) and issued its own comprehensive report on the subject (A/55/543) providing guidance for its implementation.

8. The original presentation of results-based budgeting by the Secretary-General in document A/54/456 emphasized the logical framework approach that highlighted the sequential linkages from objectives through expected accomplishments to outputs and outcomes. From the interviews conducted with senior officers in the Office of Programme Planning, Budget and Accounts and reviews of relevant General Assembly documents, the Office of Internal Oversight Services confirmed that the programme budget for the biennium 2002-2003 was prepared within the framework of the medium-term plan for the period 2002-2005 and was guided by the priorities, objectives and mandates set by Member States. The Office of Internal Oversight Services determined that the nature and scope of the departmental work

programmes, as approved by Member States, cover a broad range of the activities, which serve as the Organization's response to the challenges it faces during the medium-term plan period.

9. The basis of the logical framework approach is that overall objectives developed in the medium-term plan should be translated into expected accomplishments over the four-year period. This, in turn, would require identification of indicators that would gauge achievement of the expected accomplishments over the same four-year period. medium-term plan objectives, expected accomplishments and indicators could also be applicable to the programme budget. However, outputs are identified only for the biennial programme budget, so different expected accomplishments and indicators could also be developed relevant to the respective biennium. The achievements should be considered as building blocks towards the overall goal in the medium-term plan. However, for a variety of reasons, the linkages between objectives and expected accomplishments in the programme budget and medium-term plan were not always clear.

10. In April 2000, the Regulations and Rules Governing Programme Planning were revised and rules 104.7 and 105.4 refined the definitions of objectives and expected accomplishments. These definitions were subsequently elaborated in the instructions to programme managers regarding the preparation of the programme budget for the biennium 2002-2003. The definitions of the results-based budgeting terms were explained to programme managers during workshops held in 2000, together with the logical framework construction and emphasis on the link between resources (inputs) and results (outputs). The Office of Programme Planning, Budget and Accounts currently considers that the methodology and guidelines are in place and clear but implementation is still in early stages and should improve with successive planning cycles. Several initiatives are being undertaken in conjunction with the preparation of the programme budget for the biennium 2004-2005 and will be discussed later in the report. In this regard, the Office of Internal Oversight Services notes that the respective roles and responsibilities of programme managers, the Office of Programme Planning, Budget and Accounts and the Office of Internal Oversight Services vis-à-vis the results-based paradigm need to be clearly defined.

11. In the introduction to the proposed programme budget for the biennium 2002-2003 (A/56/6, paras. 9 and 11), the Secretary-General stated that "... there are clear linkages to the medium-term plan with respect to objectives, expected accomplishments and indicators of achievement"; and further that, "pursuant to the concerns of the Advisory Committee ... the objectives of the medium-term plan for the period 2002-2005 have been closely reflected as objectives for the biennium 2002-2003". The objectives express the overall desired outcome of a programme or subprogramme and form the foundation for programme design. The expected accomplishments are more specific and reflect benefits or changes that result from pursuing the objective. Outputs are concrete products or services delivered by a programme and are intended to lead to the achievement of the expected accomplishments. Indicators of achievement are meant to measure the extent to which the expected accomplishments have been achieved. The budget instructions clearly stated that, in keeping with regulation 4.2 of the Regulations and Rules Governing Programme Planing, objectives are derived from the policy orientation and goals set by the intergovernmental organs. The objectives of the programme express the overall desired achievement for the biennium. A highlighted point is that at the subprogramme level, the objective to be included in the submission should be

as formulated in the medium-term plan for 2002-2005 (as approved by the General Assembly). This integration of objectives within the programme planning cycle was clearly presented in the introduction to the proposed programme budget (A/56/6 paras. 34-38).

12. Extensive review of the submissions of programme managers was undertaken by the Office of Programme Planning, Budget and Accounts during the preparation of the programme budget for 2002-2003 and it was ensured that there were clear linkages to the medium-term plan for the period 2002-2005. Further revisions of the objectives, expected accomplishments and indicators of achievement as stated in the programme budget for 2002-2003 were undertaken by the Budget Division, in collaboration with the Office of Internal Oversight Services, in February 2001, and approved by the Committee for Programme and Coordination during its forty-first session in 2001. As indicated in the report of the Advisory Committee on Administrative and Budgetary Questions (A/56/7), the elements were also reviewed by the Advisory Committee, when it was considered that some objectives and expected accomplishments were too vague and there was a lack of consistency. Some objectives were reproduced directly from the medium-term plan, while others were not; the Committee for Programme and Coordination reiterated the need for clear statements of objectives, expected accomplishments and corresponding indicators of achievement in future medium-term plans and programme budgets. Those expected accomplishments that did not reflect the relevant section of the medium-term plan were amended as per resolution 56/253 and the Secretary-General was requested to prepare the next biennial proposed programme budget in full conformity with the directives.

13. As requested in resolution 55/231, the Secretariat has made efforts to continuously improve the formulation of objectives, expected accomplishments and indicators of achievement. Training has recently been provided to all programme managers to reinforce the fundamentals of results-based budgeting including the logical framework and to assist them in developing the data-collection methodology. The training stressed that the expected accomplishments (results) provide a critical linkage to the broad objectives of programmes and the implementation process. The training manual explains that the practical benefits of results-based management allow for the determination of the effectiveness and continued relevance of activities and to provide feedback to programmes for future actions. The results-based approach gives ground for promoting support for effective programmes; and for identifying the progress being made towards achieving the final objectives.

14. In paragraph 12 of resolution 55/231, the Assembly expressed the need to have a common set of terms and requested that the issue be brought to the attention of the Consultative Committee on Administrative Questions. The former Administrative Committee on Coordination, in February 1999, decided to revert to the question of updating the glossary of financial terms, with special attention to new terminology introduced for results-based budgeting. The former Consultative Committee on Administrative Questions (Finance and Budgetary), prepared a discussion paper,[2] containing a glossary of results-based budgeting terms of the United Nations system. In 2000, the United Nations System Chief Executives Board for Coordination replaced the Administrative Committee on Coordination, and the High-Level Committee on Management was created in place of the Consultative Committee on Administrative Questions (Finance and Budgetary). Since then, for a variety of reasons, little progress has been made in agreeing on a set of key terms and

guidelines. However, the new Finance and Budget Network has established web pages dedicated to the exchange of information among agencies on results-based budgeting, and the subject of common definitions will very likely be on the agenda of the next meeting of Finance and Budget Directors.

15. Interviews with managers of the Office of Programme Planning, Budget and Accounts and the World Intellectual Property Organization indicated that, in their view, the current terminology was adequate and the need for uniform terminology was not critical. It was considered that each body had different goals, activities and methods of intergovernmental guidance that impacted on the terminology in use. The management of the Office of Programme Planning, Budget and Accounts stressed, and the Office of Internal Oversight Services concurs, that the objective of the implementation of results-based budgeting is that United Nations managers and staff look beyond the delivery of outputs/services. Irrespective of terminology, there is a need for the Organization to focus on what it intends to accomplish rather than on what activities it intends to undertake.

B. Compliance with Regulations and Rules Governing Programme Planning (paras. 6, 7, 11, 15, 20 and 22)

16. Compliance with the Regulations and Rules Governing Programme Planning, was, in the opinion of the Office of Internal Oversight Services, a core consideration of resolution 55/231. The resolution specified, among other things, that its implementation should be accomplished in full compliance with the Regulations and Rules. Accordingly, the Office of Internal Oversight Services conducted an extensive review of this issue.

17. The Office of Internal Oversight Services confirmed that the instructions for the preparation of the proposed programme budget for the biennium 2002-2003 clearly stated that, in keeping with regulation 4.2 of the Regulations and Rules Governing Programme Planning, objectives are derived from the policy orientation and goals set by the intergovernmental organs. The objectives of the subprogramme express the overall desired achievement for the biennium. A highlighted point is that "at the subprogramme level, the objective to be included in the submission should be formulated according to the objective in the medium-term plan for the period 2002-2005 (as approved by the General Assembly)". This integration into the programme planning cycle was clearly presented in the introduction to the proposed programme budget for the biennium 2002-2003 (A/56/6, paras. 34 to 38).

18. The programme planning, budgeting, evaluation and monitoring cycle, as depicted in the annex to the present report, was originally elaborated in the report of the Secretary-General on ways in which full implementation and the quality of mandated programmes and activities could be ensured and could be better assessed by, and reported to, Member States (A/55/85). The cycle demonstrates the involvement of intergovernmental organs specifically at the planning and budgeting stages, including the linkage between the medium-term plan and the programme budget. Further discussion on the planning cycle can be found in paragraphs 28 to 31, below.

19. The Office of Internal Oversight Services confirmed that, since the introduction of results-based budgeting, efforts have been made to improve at the subprogramme level, the formulation of objectives and expected accomplishments in

the proposed programme budget for the biennium 2002-2003. These improvements have greatly enhanced the key elements of results-based budgeting, and have taken into consideration the Regulations and Rules Governing Programme Planning.

20. The Office of Internal Oversight Services also confirmed that throughout the budget preparation process, the Budget Division has continued to provide regular briefing and guidance to all departments and offices to enhance the skills of staff involved in developing the formulas of subprogramme objectives in the context of results-based-budgeting approach and in line with the Regulations and Rules Governing Programme Planning (see also paras. 42 and 43).

21. Based on its review, the Office of Internal Oversight Services found that the Secretariat has made consistent efforts in clearly linking the basic elements of results-based budgeting to the medium-term plan. A review of the programme budget for the biennium 2002-2003 shows that there are references to the medium-term plan in the overview to each budget section and subprogramme. The formulation of expected accomplishments and indicators of achievements, as well as the outputs listed for each budget section and subprogramme are in conformity with the medium-term plan. This link between the medium-term plan and the programme budget ensures a solid basis for the other phases of the programme planning, budgeting, monitoring and evaluation cycle.

22. The Office of Internal Oversight Services confirmed that, in keeping with the responsibility of the Secretary-General to provide complete information in support of the financial aspects of his budget proposals, input data at the same level of detail was provided in the proposed programme budget for 2002-2003, although the budget presentation had been reoriented towards a results-based format, including objectives, expected accomplishments and indicators of achievement.

C. External factors: role and usage (paras. 9, 13 and 14)

23. In resolution 55/231, the General Assembly stressed that external factors formulated in the logical framework should be specific to the objectives and expected accomplishments. The Assembly also decided that significant external factors should be identified for future medium-term plans. The Office of Internal Oversight Services reviewed the use of external factors in the budget process, analysing the information available. The purpose of external factors is to set the boundaries for accountability by clarifying what could either enable or obstruct the achievement of the expected accomplishments. As described by the Secretary-General, the external factors, together with the objectives, the expected accomplishments and the indicators of achievement, are intended to constitute an interrelated whole within a logical framework and to delineate the boundaries for programme managers' accountability. External factors that are specific to the subprogramme are therefore necessary to reflect conditions or events that are beyond the control of the Organization but which will have an impact on the achievement of its objectives and expected accomplishments and could therefore influence the assessment of performance.[5]

24. External factors were included for the first time in the proposed programme budget for 2002-2003. However, they were not part of the prototypes issued by the Budget Division and not included in the reformatted medium-term plan for the period 2002-2005. While no guidelines were provided for external factors in the

budget instructions for the proposed programme budget for the biennium 2002-2003, subsequent guidelines were provided to assist programme managers in their use of the Integrated Monitoring and Documentation Information System (IMDIS) for the preparation of the programmatic aspects of the budget.

25. During the review, the Office of Internal Oversight Services found that programmes listed various factors affecting the achievement of their expected accomplishments under the external factor category. Some programmes noted that the actions, or absence of actions, taken by Member States and the legislative bodies was a potential reason for the non-achievement of their expected accomplishments. Other external factors cited included: cooperation of other United Nations organs and agencies and external parties; decisions of States parties and treaty-mandated bodies; the situation in the country where the programme is being implemented; support of Member States and specialized agencies; situation on the ground; willingness of civil society to enter into partnerships; and stable pricing of publications.

26. In the programme budget, the expected accomplishments of many United Nations programmes are linked to and dependent on actions by Member States. In resolution 55/231, the General Assembly clearly stressed that while external factors should be identified, the assessment of the Organization's performance should not be distorted by the impact of unforeseen external factors. The Office of Internal Oversight Services concurs with Joint Inspection Unit's suggestion that, in order to reduce the impact of at least those external factors that are related to the actions of the Organization's constituents, (see A/54/287, paras. 58-60), the formulation of the external factors should involve both Member States and the Secretariat and a collaborative effort should be made to agree on the factors for each programme.

27. Such an approach would ensure that not only the quality of work of the Secretariat is addressed, but also the impact of work of all concerned on the intended beneficiaries. This would provide the needed feedback to Member States and the Secretariat on the relevance and effectiveness of programmes.

D. Time frame for planning objectives (paras. 21 and 22)

28. In resolution 55/231, the difficulty of achieving the results of complex and long-standing political activities within specific time frames was recognized. The Assembly therefore reaffirmed its rule 104.7 (b) in the Regulations and Rules Governing Programme Planning that for such longer-term objectives, more specific objectives to be achieved within the planned period should be set. The medium-term plan constitutes the foundation of the programme planning, budgeting, monitoring and evaluation cycle of the United Nations. It is the principal policy document of the United Nations translating legislative mandates into programmes of work. The medium-term plan for the period 2002-2005 follows the format requirements set out in the Regulations and Rules Governing Programme Planning. Each programme in the medium-term plan begins with an introductory section, which describes its overall orientation, as well as its objectives and the strategy to be followed at the programme level. Where this overall orientation is relevant for a term longer than that covered by the medium-term plan, specific objectives for the plan period are also developed at the programme level. Furthermore, for each subprogramme, the

medium-term plan describes the objective, strategy, expected accomplishments and indicators of achievement for the plan period.

29. The objectives express the overall desired achievement of each programme and subprogramme. They are formulated to bring about observable change rather than a description of an ongoing activity. In keeping with regulation 4.2, objectives are derived from the policy orientations and goals set by the intergovernmental organs. In programmes where the activities can be considered ongoing, it can be difficult to define objectives that are limited to covering only the four-year period.

30. The Office of Internal Oversight Services also noted that the Secretariat has had difficulty formulating expected accomplishments and indicators of achievement that contain both intermediate and end outcomes, especially for programmes where outcomes cannot always be determined within one budget cycle or one medium-term plan period. It can be anticipated that improvements in this area will be seen over the next few bienniums as more experience is gained in formulating the components of the logical framework.

31. The Office of Internal Oversight Services notes that in the recently issued report of the Secretary-General, entitled "Strengthening of the United Nations: an agenda for further change" (A/57/387), changes have been proposed to the current budgeting and planning process, particularly a shorter and more strategic medium-term plan covering two years, rather than four. It could be expected that this change would facilitate the process of aligning expected accomplishments between the medium-term plan and the programme budget.

E. Evaluation capacities (paras. 23, 26 and 27)

32. In resolution 55/231, the General Assembly emphasized the need for the Secretariat to continue to improve programme evaluation capacities in a manner complementary to the existing evaluation systems. During its review, the Office of Internal Oversight Services confirmed that, while these refinements could be accommodated within the existing Regulations and Rules Governing Programme Planning, no significant progress has been made to update existing methodologies or capacities so that they dovetail with the requirements of the new results-based system. The Office of Internal Oversight Services noted further that, as documented in the latest report on strengthening evaluation (A/57/68), the global capacity of departments and offices for conducting evaluations has declined over the years.

33. The Office of Internal Oversight Services finds that there is a definite need to strengthen evaluation capacities systemwide. The report of the Secretary-General on strengthening of the United Nations also calls for a strengthened system of evaluation and monitoring that will better measure the impact of the Organization's work. The Office of Internal Oversight Services believes that it is particularly important that the evaluation methodology applied by United Nations departments and offices for self-evaluations and results-based budgeting be developed together and standardized to allow for sharing of methodology and experience among programmes.

34. One of the first steps to strengthen evaluation capacity has been the preparation of part I of the updated Evaluation Manual in 2001, which deals with the technical aspects of conducting in-depth evaluations. During the biennium 2002-

2003, the Office of Internal Oversight Services will prepare part II of the manual, which will focus on self-evaluation within the new results-based budgeting context. The Office of Internal Oversight Services has been involved in the design and conduct of the training efforts undertaken in mid-2002 on data collection for measuring results being spearheaded by the Office of Programme Planning, Budget and Accounts. It will draw on the material developed for this training, as well as on experiences garnered from participating in the training, design and formulation of the second part of the Manual. It is anticipated that, subject to availability of resources, the Office of Internal Oversight Services will conduct training exercises throughout the Secretariat during the biennium 2004-2005.

35. In resolution 55/231, the General Assembly also requested that a detailed analysis be undertaken of the information, management control and evaluation system required to implement the new results-based system. A comprehensive analysis was provided in the annex to the introduction of the proposed programme budget for the biennium 2002-2003. The analysis also identified a number of areas where existing systems needed to be enhanced or new systems developed.

36. One of those systems is IMDIS, which is an Internet-based system, originally developed by the Department of Economic and Social Affairs for the purpose of tracking implementation of programmed outputs and meeting the programme performance requirements of the General Assembly. It has been used for programme performance reporting for the past two bienniums and for the preparation of the programme budget for 2002-2003. IMDIS includes all the objectives, expected accomplishments and indicators of achievement for each subprogramme of the medium-term plan for the period 2002-2005.

37. The Office of Internal Oversight Services has ascertained that additional enhancements to IMDIS are needed to capture information on data collection, for measurement of results and to link IMDIS to other budgetary and financial systems. These enhancements are currently being discussed by the Department of Economic and Social Affairs, the Office of Programme Planning, Budget and Accounts and the Office of Internal Oversight Services in order to take all needs into account. Several of the enhancements have already been implemented to facilitate monitoring of the programme budget for 2002-2003 and preparation of the one for 2004-2005.

38. The Office of Internal Oversight Services has also undertaken a review of the current format of the programme performance report, with a view to shifting its focus to the measurement of results and enhancing it so that its value as a tool for planning or refining programmes is enhanced.

F. Delegation of authority (paras. 16, 17, 18, 19, 24 and 25)

39. The resolution focused on the question of resources, deciding that any transfer of resources between post and non-post objects of expenditure would require the prior approval of the General Assembly. It stressed that any proposed added flexibility in managing inputs, if approved by the General Assembly, should always be accompanied by increased accountability and with strict respect for the norms and decisions established by the General Assembly. During its review, the Office of Internal Oversight Services found that the allotment advice issued to each programme manager clearly states the delegation of authority in programme delivery, in particular the transfer of resources within sections of the programme and

between certain objects of expenditure. Thus, the programme manager has flexibility to redeploy resources within limits in order to ensure programme implementation.

40. In the context of the performance report on the programme budget, requests for approval by the General Assembly on transfer of resources between post and non-post objects of expenditure are sought for various reasons including variation in post costs and adjustments to other objects of expenditure based on actual versus anticipated requirements. These changes can result in a net increase or decrease in post costs.

41. Interviews with the Office of Programme Planning, Budget and Accounts, as well as the review of budget and resource allocation guidelines confirmed that flexibility was being exercised in accordance with the norms and decisions of the General Assembly and as provided in the Financial Regulations and Rules of the United Nations. As stated in the proposed programme budget for the biennium 2002-2003, and confirmed by the Office of Programme Planning, Budget and Accounts, flexibility in the use of non-post costs will continue within the limits set by the Financial Regulations and Rules of the United Nations, and in concert with the limits imposed by the General Assembly in the allocation of resources for every section of the budget, the staffing table and the rules and procedures for personnel matters.

G. Training (para. 28)

42. The resolution placed emphasis on the need for implementing an adequate training programme to enhance staff proficiency in the concepts and techniques of results-based budgeting. The Office of Internal Oversight Services ascertained that in order to improve competence of staff with regard to results-based budgeting, the Office of Programme Planning, Budget and Accounts carried out training workshops throughout the entire Secretariat in 2000 to familiarize staff with basic concepts and techniques and also to raise awareness about linkages to other management issues. These were conducted at the time of issuance of programme budget instructions. During the period September 2000 to January 2001, eight Performance Indicator Workshops were conducted, involving 197 participants and eight Programme Budget Preparation clinics that involved 89 participants. The training received favourable ratings from participants. In addition, OPPBA has established a web site (http://ppbd.un.org/rbb) to assist programme managers and staff in the implementation of results-based budgeting, including the preparation of the logic model for the 2004-2005 budget period.

43. As part of a two-year project financed from extrabudgetary resources, a second wave of training in data-collection methods for measuring results has been implemented by the Office of Programme Planning, Budget and Accounts in the summer of 2002. It is expected that, during the period of the project, 2,500 staff will be trained globally in managing the transition and implementing results-based budgeting. The longer-term objective is to mainstream this type of training into the standard training programmes to be offered by the Office of Human Resources Management in the coming years, a step that is pivotal to ensuring that a results-based culture is firmly established in the Organization.

IV. Conclusions

44. The Office of Internal Oversight Services is satisfied that results-based budgeting has been implemented in the Organization in a manner consistent with the provisions of resolution 55/231. Particular challenges to the implementation arose for the following reasons:

(a) The shift in focus from input/output to results orientation required a significant culture change in the Organization that is still ongoing;

(b) The length and complexity of the planning, budgeting, monitoring and evaluation cycle and the need to adapt the components to the results paradigm;

(c) The inherent difficulties in quantifying and measuring many of the expected achievements of the Organization;

(d) The need for staff at all levels to become familiar with the concepts and terms of results-based budgeting.

45. However, despite these challenges, the Office of Internal Oversight Services is confident that results-based budgeting is taking hold in the Organization and will assist programme managers and Member States to better plan, implement and assess its work. This is a process that will span several bienniums and require continued refinement of objectives, expected accomplishments and indicators of achievement.

V. Looking ahead

46. The following list provides the most important steps that need to be taken by the Organization to bring the implementation of result-based budgeting to the next level:

(a) Given its long-lasting impact, the medium-term plan for the period 2006-2009 needs to be developed through detailed consultations within substantive department and offices before being submitted to the Office of Programme Planning, Budget and Accounts. The inclusion of a clear strategy for implementing its objectives across two bienniums is particularly important;

(b) The respective roles and responsibilities of programme managers, the Office of Programme Planning, Budget and Accounts and the Office of Internal Oversight Services vis-à-vis the results-based paradigm need to be clearly defined;

(c) Self-evaluation and self-monitoring on the part of programme managers need to become part of the management culture and practice, with programme managers being fully involved in and aware of the development of the logical framework for their programmes;

(d) The format of the programme performance report needs to be enhanced to reflect the measurement of results, while maintaining the link to the provision of mandated outputs;

(e) Information systems, specifically IMDIS, need to be enhanced to provide methods of capturing qualitative information and links to other budgetary and financial systems;

(f) Evaluation methodologies need to support the results-based paradigm by providing better linkage between evaluation and planning;

(g) Clearer guidelines need to be provided to programme managers and collaboration with external bodies should be explored on the inclusion of external factors in the logical framework;

(h) Programme managers must take ownership of the objectives, expected accomplishments and indicators of achievement used to measure results of their programmes.

(*Signed*) Dileep **Nair**
Under-Secretary-General for Internal Oversight Services

Notes

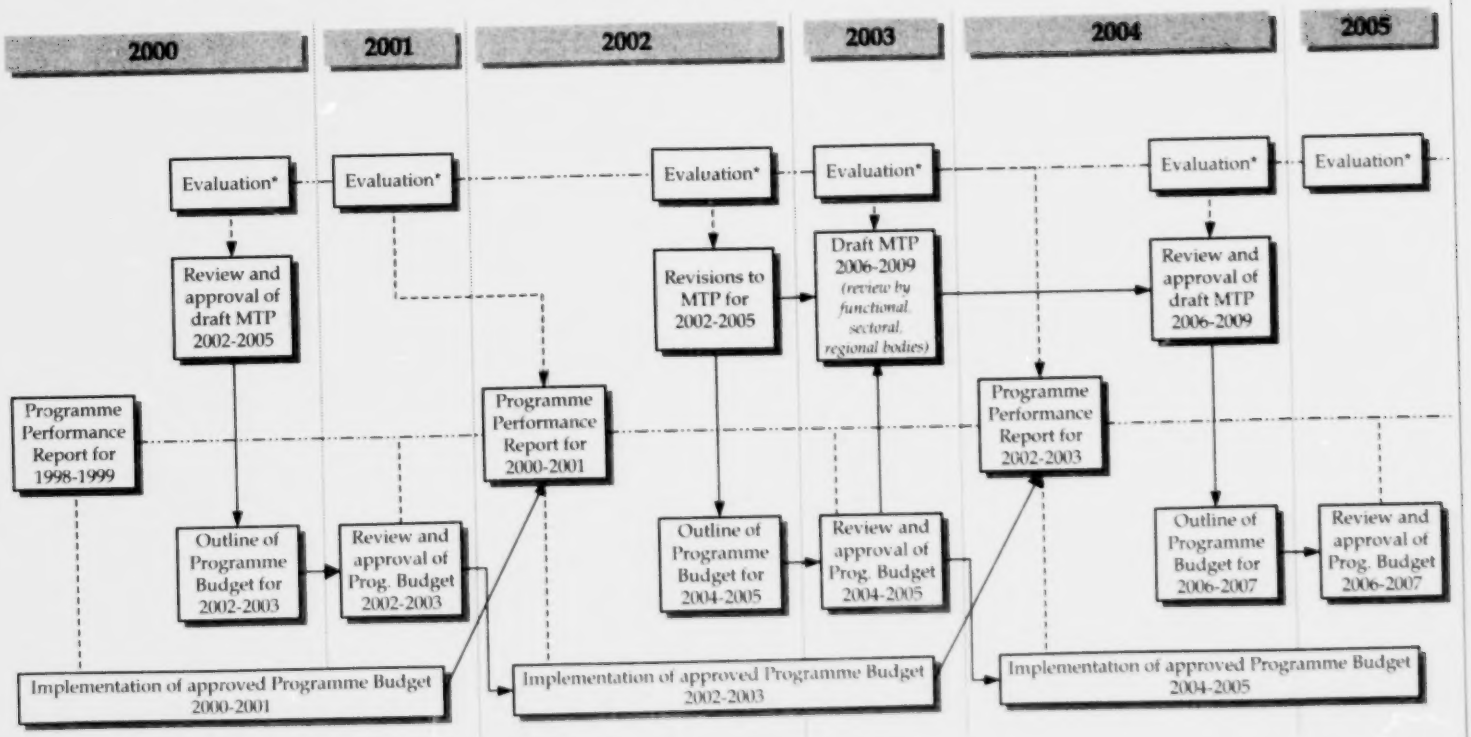
[1] See *Official Records of the General Assembly, Fifty-sixth Session, Supplement No. 16* (A/56/16).

[2] ACC/1999/FB/90/CRP.10, dated 25 August 1999.

[3] See A/56/6 (Introduction), para. 8.

Annex

Programme planning, budgeting, monitoring and evaluation cycle


2000
2001
2002
2003
2004
2005
Evaluation*
Evaluation*
Evaluation*
Evaluation*
Evaluation*
Evaluation*
Review and approval of draft MTP 2002-2005
Revisions to MTP for 2002-2005
Draft MTP 2006-2009 (review by functional, sectoral, regional bodies)
Review and approval of draft MTP 2006-2009
Programme Performance Report for 1998-1999
Programme Performance Report for 2000-2001
Programme Performance Report for 2002-2003
Outline of Programme Budget for 2002-2003
Review and approval of Prog. Budget 2002-2003
Outline of Programme Budget for 2004-2005
Review and approval of Prog. Budget 2004-2005
Outline of Programme Budget for 2006-2007
Review and approval of Prog. Budget 2006-2007
Implementation of approved Programme Budget 2000-2001
Implementation of approved Programme Budget 2002-2003
Implementation of approved Programme Budget 2004-2005

→ Direct linkage between components

------ Information material assisting consideration and review

—·—·— Sequential parts of process

MTP = mid-term plan.

* Programmes evaluated as decided by the Committee for Programme and Coordination

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Cooperation between the United Nations and regional and other organizations

Cooperation between the United Nations and the Pacific Islands Forum

Report of the Secretary-General*

Summary

The present report, the first submitted under the item entitled "Cooperation between the United Nations and the Pacific Islands Forum", outlines the progress achieved in enhancing the relationship between the two organizations, including their secretariats.

As requested by the General Assembly in paragraph 7 of its resolution 56/41 of 7 December 2001, the report describes cooperation in the areas of conflict prevention, peace and security. This cooperation, based on the United Nations Millennium Declaration and the Biketawa Declaration, is aimed at assisting the efforts by the Forum and its member States to address the existing and new security threats in the region. The report also presents an account of various activities pursued by the specialized agencies and other organizations and programmes of the United Nations system with the Forum on economic, social, environmental and other issues.

The view is expressed that there is considerable scope for broadening and deepening cooperation in such areas as good governance, human and indigenous rights, support of democratic processes and the rule of law in the region. As far as conflict prevention and peace-building is concerned, it is considered that joint assessment missions, election and peace monitoring, as well as training, should be explored. It is also recommended that the secretariats of the two organizations develop their contacts along more structured, regular and transparent lines.

* The report was submitted on 15 October 2002 in order to reflect to the extent possible relevant developments and activities.

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I. Introduction

1. The General Assembly, by resolution 56/41 of 7 December 2001 invited the Secretary-General of the United Nations, in consultation with the Secretary-General of the Pacific Islands Forum, to take the necessary measures to promote and expand cooperation and coordination between the two secretariats in order to increase the capacity of the organizations to attain their common objectives, requested the Secretary-General to promote, as a matter of priority, meetings between their representatives for consultations on policies, projects and procedures that would facilitate, broaden and, if necessary, formalize, cooperation and coordination between the two organizations; and called upon the Secretary-General to assist in the development of long-term peace-building programmes to address new security threats in the Pacific Islands Forum region. As reflected in the United Nations Millennium Declaration (see Assembly resolution 55/2) and the landmark Biketawa Declaration[1] and other documents adopted by the Pacific Islands Forum, there are certainly a wide range of issues where cooperation between our two organizations could be enhanced, both in the political and security areas on the one hand, and in regard to social, environmental and developmental issues on the other.

2. The General Assembly, by the same resolution, also urged specialized agencies and other organizations and programmes of the United Nations system to cooperate with the Secretary-General of the United Nations in order to initiate, maintain and increase consultations and programmes with the Pacific Islands Forum and its associated institutions in the attainment of their objectives. In addition, it invited initiatives from Member States to assist in the cooperation efforts between the United Nations and the Forum.

3. Further, the Assembly requested the Secretary-General to submit to it at its fifty-seventh session a report on the implementation of resolution 56/41. The present report is submitted in response to that request.

II. Cooperation in the area of conflict prevention, peace and security

A. Cooperation between the United Nations and the Pacific Islands Forum

4. Over the past two years, meaningful progress has been achieved in expanding contacts and the exchange of relevant information between the United Nations and the Pacific Islands Forum in the area of conflict prevention and peace-building. In February 2001, for the first time, the Secretary-General of the Forum secretariat participated in the fourth high-level meeting between the United Nations and regional organizations, which had as its theme "Cooperation for conflict prevention and peace-building". The meeting elaborated, among other things, common conceptual approaches to peace-building and possible objectives and principles of cooperation between the United Nations and regional organizations. A meeting was held at the working level between the United Nations and regional organizations from 30 April to 2 May 2002, to discuss the modalities for cooperation in the field of conflict prevention and peace-building identified at the fourth high-level meeting. Essentially, it sought to deepen cooperation by identifying common areas of activity,

exploring possibilities for joint action, and facilitating more systematic and frequent interaction between the United Nations and regional organizations. The representative of the Forum secretariat participated in that meeting.

5. In 1999, for the first time, the United Nations Secretariat was represented at the formal session of the Forum summit meeting, held in Palau. In 2001 and 2002 officials from the Department of Political Affairs attended the opening sessions of the summit meetings held in Nauru and Fiji, respectively. The 2002 summit meeting in Fiji provided an opportunity for the United Nations Secretariat to hold fruitful consultations with the Secretary-General of the Forum and his staff on the implementation of Assembly resolution 56/41. The representative of the Secretary-General also held consultations with officials of the host country and various delegations on different aspects of conflict prevention and peace-building in the region. In 2001 and 2002, the Forum secretariat invited United Nations Secretariat officials to take part as observers in the Forum Regional Security Committee. The Committee focuses on a wide range of security issues of concern to the region including, in particular, those relating to drug trafficking, money-laundering, people smuggling, and the implementation of the Biketawa Declaration which outlines principles, guidelines and responses to potential conflicts and crisis situations in the region.

6. The Forum secretariat has been included in the roster of organizations to be invited to participate in training courses on early warning and preventive measures that may be organized under the auspices of the United Nations Staff College. In the area of post-conflict peace-building, the Department of Political Affairs has, since the establishment of the United Nations Political Office in Bougainville, Papua New Guinea, on 1 August 1998, worked closely with States Members of the Forum providing troops to the Peace Monitoring Group on the implementation of the ceasefire agreements and the Bougainville Peace Agreement. Forum officials have been updated on the progress made in the Bougainville peace process and weapons disposal, and on the work of the United Nations Political Office in Bougainville in those areas. In the area of electoral assistance, the United Nations Secretariat deployed the United Nations Fijian Observation Mission in Fiji in September 2001, and the Expert Election Monitoring Team, in the Solomon Islands in December 2001. In its activities, the latter interacted with international observers, including those deployed for the first time by the Pacific Islands Forum.

B. Cooperation between Member States and the Pacific Islands Forum

7. Replies were received from two Member States, Australia and the United Kingdom of Great Britain and Northern Ireland, in response to a note verbale sent to all Member States in implementation of paragraph 6 of General Assembly resolution 56/41.

8. Australia, in its reply, noted that it actively encourages cooperation between the United Nations and the Forum secretariat, and that increased cooperation within current fiscal parameters would increase the capacities of both organizations' to attain their common objectives. It strongly supports the representation of the Forum secretariat at the regular sessions of the General Assembly and at other meetings, such as the fourth high-level meeting between the United Nations and regional

organizations, on peace-building, the Commission for Sustainable Development and the World Summit on Sustainable Development.

9. In response to new regional security threats, Australia has provided training to counter the illegal trade and use of small arms and promote increased compliance with the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances. More recently, the Australian Government, together with the Forum secretariat, the United States of America and New Zealand, co-hosted a workshop to assist the Pacific Island countries with the implementation of Security Council resolution 1373 (2001), the recommendations of the Financial Action Task Force on money-laundering and terrorist financing, and the 12 key international instruments aimed at combating terrorism.

10. The United Kingdom, in its reply, said it was supporting projects in such sectors as judicial reform, good governance, human rights, conflict prevention and the environment. For example, it had recently committed £ stg. 100,000 to an electoral assistance project of the United Nations Development Programme (UNDP) in Fiji; contributed to a weapons disposal project in Bougainville; and supported the development of the judiciary in the Solomon Islands. The United Kingdom had participated in a number of programmes with the South Pacific Regional Environment Programme based in Samoa. It also had close ties with a number of States members of the Forum through common membership of the Commonwealth, and tried to promote the needs and priorities of those States in international forums. The United Kingdom had also provided assistance to the members of the Forum through its contribution to the international development programmes of the European Union.

III. Cooperation between specialized agencies and other organizations and the Pacific Islands Forum in economic, social, environmental and other fields

11. The following specialized agencies, programmes and organizations of the United Nations system and related organizations responded to the note verbale drawing their attention to Assembly resolution 56/41: Comprehensive Nuclear-Test-Ban Organization, Food and Agriculture Organization of the United Nations, International Civil Aviation Organization, International Labour Organization, International Monetary Fund, International Maritime Organization, United Nations International Research and Training Institute for the Advancement of Women, United Nations Interregional Crime and Justice Research Institute, International Telecommunication Union, Joint United Nations Programme on HIV/AIDS, United Nations Conference on Trade and Development, United Nations Development Programme, United Nations Educational, Scientific and Cultural Organization, United Nations Population Fund, United Nations Human Settlements Programme, United Nations Industrial Development Organization, United Nations Institute for Training and Research, United Nations Office for Drug Control and Crime Prevention, Universal Postal Union, United Nations University, World Intellectual Property Organization, World Food Programme and World Trade Organization. Below is a brief summary of the information provided by the specialized agencies and United Nations bodies on their ongoing and planned activities with the Pacific

Islands Forum or its associated institutions in the economic, social, environmental and other fields.

A. United Nations Development Programme

12. The Forum secretariat is a key regional organization and development partner for UNDP. Conscious efforts have been made to improve collaboration between UNDP and the Forum on two fronts, through the informal consultations held on a regular basis and programme and thematic-based collaboration. Consultative meetings are held at the management level as the need arises to share information and also discuss a variety of issues of common concern, for example, the recommendations of the annual Forum Economic Ministers Meeting and other ministerial meetings, where UNDP can be of assistance. More formally, the most significant consultation occurs through the annual meetings of the Pacific Island countries and their development partners, which are coordinated by the Forum secretariat and held immediately after the meeting of the economic ministers, and in which UNDP is each year invited to participate as an observer. UNDP has also held consultations with the Forum secretariat on a range of other issues, including HIV/AIDS, the environment, coordination of input from the meetings of the Pacific Island countries and their development partners, follow-up of global conventions, and information and communication technology for development.

13. UNDP and the Forum secretariat, which in the past has been the cooperating agency for several UNDP regional projects on industrial development and training, import management, energy and private sector development, continue to collaborate on a number of initiatives. These include input by Forum officials in the formulation of UNDP subregional programmes, and representation of the Forum secretariat at governance workshops and meetings organized or supported by UNDP. UNDP is now invited and participates in meetings of the Council of Regional Organizations in the Pacific that are organized by the Forum secretariat, for example, meetings on information technology, health and energy. UNDP is also represented on the Forum secretariat's regional reference group for the design process of the regional basic education project, which is set to commence in 2003. UNDP, through its subregional governance programme, has worked with the Forum secretariat to support the island member countries of the Forum in the implementation of the Forum's eight principles of accountability. It has helped with stocktaking surveys and national workshops, in which both UNDP project staff and Forum secretariat staff have worked together. As a follow-up to the Pacific Parliamentarians Conference, UNDP, with the participation and full support of the management of the Forum secretariat, organized a Pacific Islands Speakers Forum in Tonga in April 2000. It supported the convening of the second such meeting in the Marshall Islands in 2002, which saw UNDP handover the Speakers Forum, now known as the Forum Presiding Officers Conference, to the Forum secretariat. UNDP, together with the International Labour Organization and the Forum secretariat, organized a social development workshop in February 2002 to help train relevant officials on required follow-up to various global commitments, including reporting on progress made towards achieving the goals set forth in the United Nations Millennium Declaration. A joint workshop on the millennium development goals is being planned for the first quarter of 2003, and is expected to be followed by in-country workshops and joint reporting activities on the implementation of the Millennium Declaration. Through this mechanism, UNDP

and the Forum secretariat are looking at the possibility of reporting on a regional basis.

14. In March 2002, UNDP, the Commonwealth Secretariat, and the Forum secretariat organized a regional workshop on leadership codes for Forum members at Nadi, Fiji, which provided an opportunity for Forum members to discuss the drafting and implementation of leadership codes and how the region might best proceed on a regional and national basis. At the end of the workshop, organizers were asked to develop for consideration by Forum leaders in 2003 a model leadership code for small States which would draw on the experience of members and take into account the traditional Pacific Island values and Forum leaders' commitment to the Biketawa Declaration.

B. International Monetary Fund

15. Cooperation between the International Monetary Fund (IMF) and the Pacific Islands Forum takes place mainly in the context of the annual Forum Economic Ministers Meetings to which the Asia and the Pacific Department of IMF is regularly invited. Recently, its Legal Department cooperated closely with the Forum secretariat in support of the creation of anti-money-laundering legislation and the establishment of frameworks for financial intelligence units in the Pacific. In this context, the Legal Department makes technical assistance available to the Forum secretariat and a number of Pacific island countries.

16. There is also frequent and close cooperation in the areas of public financial management, tax and customs administration and policy, prudential regulation and supervision, and economic and financial statistics between IMF and the Forum, through the Pacific Financial Technical Assistance Centre, located at Suva, for which IMF is the executing agency and provides from its staff the project coordinator. Since 1996, advisers from the Centre have conducted some 270 missions to member States of the Forum, organized conferences and seminars, several of which were held at the ministerial level, and arranged for some 60 training attachments of Pacific Island officials to governmental economic agencies in the region. Support provided by the technical assistance departments of IMF and feedback from its Asia and Pacific Department buttress the advice and assistance provided by the Centre in various areas, such as the promotion of the IMF Code of Good Practices on Fiscal Transparency as a model for the region, increased attention to sound financial sector management and adequate prudential regulation and supervision, and commitments by Pacific Island countries to strengthen their statistical institutions and systems within the framework of the IMF General Data Dissemination System.

C. United Nations Conference on Trade and Development

17. Since 2000, the United Nations Conference on Trade and Development (UNCTAD) has supported the Pacific Islands Forum in delivering technical assistance to several of its member States. In 2001, its secretariat, in close cooperation with that of the Forum, hosted a regional workshop on the constraints, challenges and prospects for commodity-based development and diversification in the Pacific Island economies. UNCTAD also assisted the Forum in designing

regional legislation on intellectual property rights associated with biodiversity. Further support activities are envisaged in the area of trade policy, with a national trade policy review exercise and policy advice to African, Caribbean and Pacific States, in the context of the preparations for their economic partnership agreement with the European Union.

D. Food and Agriculture Organization of the United Nations

18. Besides direct assistance to Members from the region through its technical cooperation programme, the Food and Agriculture Organization of the United Nations (FAO) convenes annually a round-table meeting for Pacific Island countries on the provisions of World Trade Organization (WTO) agreements, in support of the role of the Pacific Islands Forum as the coordinator of WTO activities in the region. The fifth meeting in the series was held in Wellington, in April 2002. FAO experts have also given considerable assistance and provided technical input to the work of the Forum, as well as to related and associated organizations, such as the South Pacific Regional Environment Programme and the South Pacific Community through training, workshops and missions sponsored by the Forum. A meeting between the FAO Subregional Office for the Pacific Islands and experts of the South Pacific Regional Environment Programme is held annually to identify areas of collaboration and partnership. FAO collaborates extensively with the South Pacific Community in the areas of forestry (legislation), nutrition (food safety), statistics, livestock (information dissemination and training), plant protection (quarantine, pest analysis, integrated pest management, dissemination of pesticides information) and fisheries (in particular, aquaculture, management, statistics, marketing and quality control for fish exports). A similar partnership has been established with the University of the South Pacific, the South Pacific Applied Geoscience Commission and the Forum Fisheries Agency.

E. International Labour Organization

19. The collaboration between the Pacific Islands Forum and the Suva office of the International Labour Organization (ILO) has been continuing in the form of both formal and informal consultations, as well as technical cooperation programmes. At the invitation of ILO, the Forum participated in a dialogue with other social partners and civil society organizations to promote country programmes, including the Integrated Human Resources Development Programme for Employment Promotion, Fiji. Recently, ILO and the Forum, under the UNDP and ILO project on the *Pacific Human Development Report*, worked together on a regional social development workshop, which was organized for 14 member countries of the Forum in order to identify the support needed to incorporate the social development agenda into their economic planning and implementation. The implementation of the millennium declaration goals was an integral part of the workshop, for which ILO provided technical assistance. In the area of gender and development, ILO participated in the work of the gender working group that is being facilitated by the Forum. To provide an opportunity for policy makers to hear the views of other stakeholders on economic and social issues, the Forum is invited to ILO informal monthly "decent work" meetings, at which issues of global, subregional and national interest are discussed.

F. United Nations Population Fund Subregional Office

20. The Subregional Office of the United Nations Population Fund (UNFPA) in Suva works in close collaboration and consultation with the secretariat of the Pacific Islands Forum and has been an active member of the Council of Regional Organizations in the Pacific. To support the Council's initiative of setting up a regional database with UNFPA as lead agency, UNFPA intends to incorporate the activity in its third programme cycle. Further, in preparation for the development of its assistance to the Pacific under that cycle, it conducted a regional strategy development meeting in March 2002.

G. United Nations Office for Drug Control and Crime Prevention

21. There has been close cooperation between the United Nations International Drug Control Programme (UNDCP) and the secretariat of the Pacific Islands Forum in providing legal assistance to States members of the Forum in implementing international drug control conventions. This has included assistance in legislative drafting, such as the UNDCP model legislation which is to be used by a number of members to upgrade their domestic laws. There is also an upcoming pilot project on computer-based training, which is sponsored by the Australian Federal Police and is to be delivered before the end of 2002. In the context of this project, UNDCP will set up a small learning resource centre, provide a small number of computers, install specific software, provide training to a manager of the project and assist in the evaluation of the project.

H. Joint United Nations Programme on HIV/AIDS

22. To strengthen its cooperation with the Pacific Islands Forum, the Joint United Nations Programme on HIV/AIDS (UNAIDS) is intensifying its effort to increase consultations and programmes through three theme groups, based in Fiji, Papua New Guinea and Samoa, covering the whole Pacific Island region. It has created a post of Country Programme Adviser in Papua New Guinea and facilitated the funding by Australia and New Zealand of the post of Programme Coordinator in Fiji. In August 2002, UNAIDS launched the Asia Pacific Leadership Forum on HIV/AIDS and Development, with the support of Australia, the Department for International Development (United Kingdom) and Japan.

I. United Nations Human Settlements Programme

23. The regional office of the United Nations Human Settlements Programme (UN-Habitat) for Asia and the Pacific, based in Japan, will be increasing its consultation with the secretariat of the Pacific Islands Forum on: (a) the Safer Port Moresby initiative in Papua New Guinea, to which it will provide technical assistance to build capacity and city-wide partnerships for crime prevention; (b) the launch of the campaign on good local governance, aimed at promoting policy dialogue at the national and city levels, with a view to reaching agreement on locally relevant principles and practices of good local governance; and (c) the appointment in early 2003 of a Habitat Agenda focal point, based in Fiji, to assist members of the

Forum in mainstreaming the implementation of the Habitat Agenda and, in close consultation with the Forum, coordinating issues in the area of shelter and sustainable urbanization policy and the formulation of strategies, programmes and budgets.

J. World Health Organization

24. The World Health Organization (WHO) indirectly collaborates with the Pacific Islands Forum through the Council of Regional Organizations in the Pacific, the South Pacific Community, the University of the South Pacific and the South Pacific Regional Environment Programme. The South Pacific Community is directly involved in the WHO Pacific tuberculosis training course and the training in pre- and post-test HIV counselling in the Cook Islands. It has also provided technical input into the Pacific health leadership and management development pilot programme.

K. United Nations Educational, Scientific and Cultural Organization

25. The United Nations Educational, Scientific and Cultural Organization (UNESCO), through its Office for the Pacific at Apia, has had a cooperative relationship with the Pacific Islands Forum since it was established in 1984. It will continue to monitor the special needs of the small island developing Pacific States, as specified in its medium-term strategy for 2002-2007 and as a follow-up to Focus on the Pacific initiative (1997), which emphasized the need to assist such States and other island groupings in determining their own agenda for human security and sustainable development. The UNESCO Office at Apia presented two papers to the first meeting of education officials, convened by the Forum in 2000, the results of which were submitted to the ministers of education and led to the adoption of a Pacific Education Plan. A project design, funded by the Department for International Development (United Kingdom), is currently being developed. It has been suggested that the UNESCO Office at Apia be involved again, once the implementation of this project begins.

L. International Civil Aviation Organization

26. The International Civil Aviation Organization (ICAO) has been involved in consultations with the Pacific Islands Forum on two programmes. Under its cooperative airspace management programme, it is assisting in conducting a study and developing a mechanism for an equitable sharing of revenues from user charges between island States in accordance with the ICAO Policies on Charges for Airports and Air Navigation Services. To enhance the safety and efficiency of air transport operations in the region, the Pacific Aviation Safety Office is in the process of being established, after close consultation between the Forum and ICAO.

M. International Maritime Organization

27. The International Maritime Organization (IMO) maintains good working relations with the South Pacific Commission (SPC) in the area of maritime and

training matters, and the South Pacific Regional Environment Programme (SPREP) in marine environment protection activities. Since 1996, IMO has developed 10 joint regional projects with the two organizations and provided financial and technical support for their implementation. Through the joint efforts of IMO and SPREP, some 70 people from the region have been trained on oil-spill response management and operation; regional model marine pollution legislation has been developed for adoption by the Pacific Island countries; demand by the region for waste reception facilities has been assessed; and a harbour environmental management plan has been prepared for a pilot site in the region.

28. In order to further promote the implementation of ILO technical cooperation activities at the regional level, IMO and SPC in February 2002, signed an agreement to delegate more implementation responsibilities to the region. Under a joint project, which will continue into 2003, two consultants on codes and the Global Maritime Distress and Safety System were recruited, regional workshops were held in Fiji in February 2002, and other activities were planned, including the recruitment of a consultant to finalize the South Pacific Maritime Code and the purchase of some IMO publications for the Pacific Island countries with the aim of assisting them in implementing international regulations and the new Code. A new regional programme was started in April 2002, aimed at enhancing the skills of local port control surveyors and to develop a regional strategy to deal with emerging issues of ship/port interface in the region. In cooperation with SPC, IMO is organizing a regional seminar in Fiji in November 2002, under its programme on the education and training of fishing vessel personnel in the operational safety of fishing vessels.

N. International Telecommunication Union

29. Within the framework of section 10 (e) of the Pacific Islands Forum's Communication Action Plan, which encourages the creation of policy and regulatory environments favourable to the development of the Pacific information economy, the International Telecommunication Union (ITU) Development Bureau is currently involved in a number of projects in the Pacific, which include: (a) Pacific governance (policy and regulation) in 14 countries (2002-2003); (b) Kiribati, special programme for the least developed countries (2002); (c) Marshall Islands, financial policy and regulation (2001-2002); and (d) joint workshop with the Pacific Island Telecommunications Association, on costing and pricing (Suva, July 2002). During the current year, the ITU Development Bureau has received preliminary requests for assistance in: (a) Niue (network plan); (b) Marshall Islands (network plan — part of infrastructure planning); and (c) Tonga (international settlements). One of the Bureau's major projects in the Pacific for 2002 and into 2003 is the Pacific governance project. This project is undertaken in collaboration with the Pacific Islands Forum secretariat, the Pacific Islands Telecommunication Association, UNDP, the Asia-Pacific Telecommunity and the Government of Australia.

O. World Intellectual Property Organization

30. The longstanding cooperation of the World Intellectual Property Organization (WIPO) with Pacific Islands Forum States extends beyond the four Pacific countries (Fiji, Papua New Guinea, Samoa and Tonga) that are members of the organization. Since the 1980s, WIPO has organized a number of high-level meetings of

intellectual property officials of all Pacific Islands Forum States to enable them to keep abreast of the most recent developments in the field of intellectual property, and to avail themselves of WIPO expertise on issues of special concern to them. This cooperation was greatly enhanced in 2001 with the commencement of a three-year regional focused action plan for intellectual property development, aimed at modernizing intellectual property legislation and administration systems, enhancing public awareness of intellectual property issues and promoting regional collaboration in certain fields of intellectual property, to be jointly implemented by the Pacific Islands Forum secretariat, WIPO and the Government of Australia.

P. Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization

31. The Pacific Islands Forum supports the prohibition of nuclear testing and, since 1998, its relations with the Forum secretariat and the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization have steadily developed. Of the 16 States members of the Pacific Islands Forum, 12 have signed and 6 have ratified the Comprehensive Nuclear-Test-Ban Treaty. A delegation from the Preparatory Committee conducted a seminar for members of the Forum in New Zealand in March 2001, on the margins of the United Nations Regional Disarmament Meeting in Asia and the Pacific. A delegation from the Preparatory Commission participated in the thirty-second session of the Forum, held in Nauru in August 2001. The delegation also held consultations with some Forum member countries. The Executive Secretary of the Preparatory Commission met the Secretary-General of the Pacific Islands Forum at Suva in April 2002 to discuss a project for an international cooperation workshop for the Pacific Islands in 2003. Representatives of Forum members also assisted and participated in the Preparatory Commission's training and its international cooperation programmes.

IV. Observations

32. **The Secretary-General warmly welcomes the decision of the heads of Government of the Pacific Islands Forum to pursue a closer relationship between the United Nations and the Forum by proposing, for the first time inclusion of the item entitled "Cooperation between the United Nations and the Pacific Islands Forum" in the agenda of the fifty-sixth session of the General Assembly. The present report shows that cooperation between the United Nations and the Pacific Islands Forum has been growing steadily in recent years. At the same time, it is also evident that there is much scope for this cooperation to be broadened and deepened in such areas as good governance, human and indigenous rights, support of democratic processes and the rule of law, as encompassed in the Biketawa Declaration. There are also good prospects, in the view of the Secretary-General, for developing cooperative and complementary activities between our two organizations in conflict prevention and peace-building, an area highlighted by the Biketawa Declaration, which entrusts the Forum secretariat with playing the lead role in coordinating regional efforts aimed at averting, containing and resolving conflicts by peaceful means, including customary practices. The United Nations has experience and expertise, gained through its field presences in the Pacific and**

elsewhere, which could be beneficially shared with the Forum. Joint assessment missions, election and peace monitoring, training — these are some areas in which our cooperation should be carefully explored and gainfully implemented. To this end, further consultations should be undertaken by the secretariats of the two organizations with a view to developing our contacts in a more structured, regular and transparent manner. These consultations will require the support of Member States, including the provision of adequate resources for such activities. Progress made in these areas will create an environment that is conducive to the achievement of the goals of the Millennium Declaration and of the objectives of the International Conference on Financing for Development and the World Summit on Sustainable Development.

Notes

[1] Adopted at the thirty-first Pacific Islands Forum in Kiribati.